

From: [Michael Overbay](#)
To: [John Satterfield](#)
Cc: [Chris Hill \(Regulatory\)](#)
Bcc: [Jeanne Briskin](#)
Subject: Re: Minor change in the access agreement
Date: 08/16/2012 05:33 PM

John,

I have spoken with my OGC attorney several times this afternoon, and he is playing phone tag with the senior counsel for our prime contractor, but was unable to reach her today. It is now 5:30 pm in the Eastern time zone, and we just tried again to call her and received no answer. It is clear they won't make contact today, and I am out on Friday. I will get back to you on Monday morning, and I would speculate we may need to have a quick call on this with the attorneys on Tuesday. We'll know more Monday morning.

Mike

Michael Overbay, P.G.
Regional Ground Water Center Coordinator
U.S. Environmental Protection Agency - Region 6
(214)665-6482
(214)665-2191 (FAX)

▼ [John Satterfield ---08/16/2012 11:02:35 AM---Thanks. On phone with bob and this "issue" came up. Thanks.](#)

From: John Satterfield <john.satterfield@chk.com>
To: Michael Overbay/R6/USEPA/US@EPA
Cc: "Chris Hill (Regulatory)" <chris.hill@chk.com>
Date: 08/16/2012 11:02 AM
Subject: Re: Minor change in the access agreement

Thanks. On phone with bob and this "issue" came up.

Thanks,
John Satterfield
Director, Environmental and Regulatory Affairs
Chesapeake Energy Corporation

Sent from my BlackBerry

From: Michael Overbay [<mailto:Overbay.Michael@epamail.epa.gov>]
Sent: Thursday, August 16, 2012 11:01 AM
To: John Satterfield
Cc: Chris Hill (Regulatory)
Subject: Re: Minor change in the access agreement

Hi John,

The short answer is, not yet. Our contractor's legal folks are concerned, and are checking with their insurance company about coverage. We are coordinating with our Office of General Counsel. I have been checking every day, and will try again this afternoon and get back to you again later today.

Mike

Michael Overbay, P.G.
Regional Ground Water Center Coordinator

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From: John Satterfield <john.satterfield@chk.com>
To: Michael Overbay/R6/USEPA/US@EPA
Cc: "Chris Hill (Regulatory)" <chris.hill@chk.com>
Date: 08/16/2012 10:58 AM
Subject: Re: Minor change in the access agreement

Mike - Are you ok with this?

Thanks,
John Satterfield
Director, Environmental and Regulatory Affairs
Chesapeake Energy Corporation

Sent from my BlackBerry

From: Michael Overbay [<mailto:Overbay.Michael@epamail.epa.gov>]
Sent: Friday, August 10, 2012 11:17 AM
To: Chris Hill (Regulatory)
Cc: Bob Costello; 'Mullaney-Westfall, Colleen' <CMullaneyWestfall@ene.com>; David Jewett <Jewett.David@epamail.epa.gov>; Doug Beak <Beak.Doug@epamail.epa.gov>; 'Florentino, Gene' <GFlorentino@ene.com>; John Satterfield; Renee Riebe; Stacy Roberts; Stephen Hess <Hess.Stephen@epamail.epa.gov>; Susan Mravik <Mravik.Susan@epamail.epa.gov>
Subject: RE: Minor change in the access agreement

Hi Chris,

I will pass along the changes to the access agreement for further review. Sorry for the confusion about the language about the wells. You are correct that I was referring to the need for angled or horizontal wells; EPA will not put wells through the pad.

Mike

Michael Overbay, P.G.
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From: "Chris Hill (Regulatory)" <chris.hill@chk.com>
To: Michael Overbay/R6/USEPA/US@EPA, John Satterfield <john.satterfield@chk.com>
Cc: Bob Costello <bob.costello@chk.com>, David Jewett/ADA/USEPA/US@EPA, Doug Beak/ADA/USEPA/US@EPA, Susan Mravik/ADA/USEPA/US@EPA, "Florentino, Gene" <GFlorentino@ene.com>, Stephen Hess/DC/USEPA/US@EPA, "Mullaney-Westfall, Colleen" <CMullaneyWestfall@ene.com>, Stacy Roberts <stacy.roberts@chk.com>, Renee Riebe <renee.ribe@chk.com>
Date: 08/10/2012 11:09 AM
Subject: RE: Minor change in the access agreement

Mike,

We have modified the agreement language to clarify that only the drilling contractor will require the \$10MM Excess Liability policy. In addition, we add back the sentence in provision 6 (a) (ii) which stated "Such insurance shall include coverage for underground resource damage including but not limited to damage to any wellbore. ♦ CHK feels strongly about having this language included in the agreement.

I don't see any problems with the schedule as proposed below. I might suggest we have some discussions regarding the Phase II SOW in parallel with the development and implementation of the Phase I SOW. I believe this could be beneficial for EPA's project schedule. One point of clarification, it is stated below that the report with identify "whether off-pad wells only will be sufficient. ♦ I think you may have meant to say "weather horizontal wells are necessary ♦ because CHK has clearly stated that monitoring wells will not be located on the pad.

Please let me know if you have any questions.

Thank you,

Chris Hill

Environmental Engineer
Chesapeake Energy Corporation
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From: Michael Overbay [<mailto:Overbay.Michael@epamail.epa.gov>]

Sent: Thursday, August 09, 2012 9:47 AM

To: John Satterfield

Cc: Chris Hill (Regulatory); Bob Costello; David Jewett; Doug Beak; Susan Mravik; Florentino, Gene; Stephen Hess; Mullaney-Westfall, Colleen

Subject: Minor change in the access agreement

Hi John,

E&E's counsel, Colleen Mullaney-Westfall, brought to my attention this morning that the way the access agreement is currently worded, they would have to require all of the subcontractors on the site to provide the insurance coverage indicated in section 6. Therefore, I have made a minor change to section 6 of the access agreement to clarify that the only subcontractor required to provide their insurance information and \$10 million in liability coverage is the drilling subcontractor. We did not intend for this requirement to apply to the surveyor nor the geophysical logging company which will log our initial deep water well.

Here is the revised agreement in both Word and Adobe.pdf formats.

Michael Overbay, P.G.
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From: Michael Overbay [<mailto:Overbay.Michael@epamail.epa.gov>]
Sent: Wednesday, August 08, 2012 4:13 PM
To: John Satterfield
Cc: Chris Hill (Regulatory); Bob Costello; Stephen Hess; David Jewett; Doug Beak; Susan Mravik; Jeanne Briskin; Ramona Trovato; Florentino, Gene
Subject: Access agreement and project schedule update

Hi John,

Attached is both a Word file and an Adobe .pdf file of the access agreement that we have been working on with Bob Costello of CHK. I believe it to be in a form that all parties, including our EPA prime contractor, Ecology and Environment (E&E), are comfortable with. Please check with Bob to make sure he is in agreement. I have sent this version without all of the track-changes history and after cleaning up some formatting issues so that it is easy to read. This version reflects the commitment from Paul that the well control insurance was no longer being requested by CHK

E&E has been asked to proceed with getting the revised insurance certificates with Chesapeake named on them and the requested subrogation language, so if this access agreement meets everyone's approval, we should be able to sign it very quickly.

Immediately following the meeting on July 31 in Washington, EPA tasked E&E to proceed with the development of the revised Phase I QAPP and to proceed with the subcontracting for the driller, geophysical logger, and surveyor, in order to proceed with the installation of the initial set of wells to determine the gradient and ground water flow velocity. Here is the projected best-case schedule of moving forward with the Phase 1 work, getting the report with the design of the final monitoring network and the Phase 2 QAPP, which would move us forward to installing those wells and collecting baseline condition samples.

- o 8/17—E&E submits revised QAPP to EPA
 - o 8/31—Ada Lab QAPP review ends
 - o 9/7—QAPP is revised & submitted to CHK and OCC for review
 - o 9/14—CHK/OCC review comments due back
 - o 9/21—CHK/OCC input reviewed and QAPP revised
 - o 10/5—QAPP reviewed by QA office
 - o 10/12—QAPP revised to reflect QA input
 - o 10/19—QAPP completes final review and approval
 - o 10/29-11/16—Phase 1 Field Work
- Phase I report due from E&E to EPA on 12/7/12
- o Report will include conceptual design of final monitoring well network, including whether off-pad wells only will be sufficient.
- Phase II QAPP will be submitted at the same time as the Phase one report on 12/7/12. The Phase II QAPP shall address installation of remaining wells, procedures for collection and analysis of soil, surface water, ground water, and flowback water samples to establish baseline site conditions through 1 year of production, and anticipated plugging and abandonment procedures for monitoring wells.

I will call Chris on Friday for more discussion on the schedule.

Michael Overbay, P.G.

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